

Message Text

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44

ACTION XMB-07

INFO OCT-01 AF-10 ISO-00 SS-20 NSC-10 L-03 AID-20 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00

OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 DRC-01

EUR-25 /146 W

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P 021530Z OCT 73

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC PRIORITY 5397

C O N F I D E N T I A L KINSHASA 9415

PASS EXIM BANK FOR MR SAUER FROM VANCE

E.O. 11652: GDS

TAGS: BEXP, CG, US

SUBJECT: INGA/SHABA FINANCING

1. I HAVE BEEN INFORMED BY SNEL AND BISENGIMANA, DIRECTOR OF THE OFFICE OF THE PRESIDENCY, THAT GOZ TEAM SENT WASHINGTON TO NEGOTIATE THE FINAL FINANCING AGREEMENT ON INGA SHABA TRANSMISSION LINE HAD USEFUL DISCUSSIONS EARLY LAST WEEK WITH EXIM BANK. HOWEVER, THEY WERE INFORMED THAT THE BANK WISHED SOME ADDITIONAL TIME FOR FURTHER ANALYSIS.

2. GOZ IS DEEPLY CONCERNED AT PROSPECT OF FURTHER DELAY AND HOPES THAT IT WILL BE BRIEFEST POSSIBLE BECAUSE OF PROBABLE SERIOUS CONSEQUENCES TO PRICE OF PROJECT IN VIEW OF CONTINUING INFLATION AND EXPIRY OF PRICING ASSURANCES ON SEVERAL IMPORTANT SUBCONTRACT ELEMENTS.

3. JUST PRIOR TO PRESIDENT MOBUTU'S VISIT TO US AMERICAN CONSORTIUM'S PRELIMINARY CONTRACT FOR THIS PROJECT HAD ONCE AGAIN BEEN PLACED IN JEOPRDY
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BH TY INFLATIONARY FACTORS THAT HAD ALREADY RAISED

THE PRICE SINCE THE INITIAL ESTIMATES OF LAST OCTOBER.
THE EUROPEAN COMPETITION MADE A STRONG PLEA TO REOPEN
THE CONTRACT AWARD ALLEGING THAT THE AMERICAN
CONSORTIUM'S PRICE WAS UNCONTROLLED. THEY DID NOT
MENTION OF COURSE THAT RATES OF INFLATION ARE EVEN HIGHER
IN EUROPE. THE SIGNATURE OF THE DEFINITIVE CONTRACT
WITH THE AMERICAN GROUP LAST WEEK WAS ACHIEVED
ONLY BY VER DELICATE AND DIFFICULT NEGOTIATIONS
DURING THE PRESIDENTIAL VISIT AND SINCE RETURN TO
KINSHASA. I BELIEVE THAT THER IS VERY REAL REASON
FOR CONCERN THAT FURTHER DELAY WILL RISK STILL
ANOTHER EFFORT BY THE COMPETITION TO GAIN THIS
MAJOR PROJECT.

4. ACCORDINGLY, I URGE THAT YOUR FURTHER ANALYSIS
BE CARRIED OUT WITH EVRY POSSIBLE URGENCY. I WOULD
GREATLY APPRECIATE WORD FROM YOU AS TO WHEN YOU
BELIEVE THIS STUDY CAN BE COMPLETD.
VANCE

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NNN

Message Attributes

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30 JUN 2005

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